(c) whether the freight equalisation policy in iron and steel only making goods produced in the Eastern States less competitive thus making these States economically backward to the States of other parts of the country?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI SUKH RAM): (a) to (c) The Freight Equalisation Scheme are operated in varid form—in some cases e.g. fertilisers, aluminium, copper, zinc, lead, etc. there is equalisation of freight as well as sale price in the case of petroleum products there are a number of refinery ex-storage pricing points in the country and some secondary pricing points at ports, the consumer is entitled to purchase from the pricing centre nearest to him and has to pay transportation cost fron there to the consumption point. In the case of iron and steel and levy portion of cement, there is equalisation of freight only. This generally covers rail freight but includes transportation by road where rail facilities are not available as for example in the North-Eastern region and Jammu & Kashmir. It is difficult to say which States are benefited by the operation of the Freight Equalisation Schemes and to what extent. The Freight Equalisation Schemes do not make good produced in any State less competitive but neutralise the advantage of proximity to raw materials to the concerned States. The freight element generally constitutes only a small parts of the total price payable by the consumer and it would not be correct to say that this makes any States economically backward as compared to the other States of the country.

Domestic aircraft manufacture industry

2249. SHRI NIRMAL CHATTERJEE:
SHRI M. A. BABY:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government have any plan for building up a domestic aircraft manufacturing industry while negotiating purchases of aircrafts from foreign manufacturers, as was done in Indonesia and Brazil; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) and (b) There is already a domestic aircraft manufacturing industry in the form of M/s. Hindustan Aeronautics Limited (HAL). While negotiating purchases of aircraft from foreign manufacturers, technology transfer for licence production of aircraft in India is also considered keeping is view the need and the techno-economic considerations. Some of the aircraft being presently manufactured under licence of HAL are—Jaguar, Dornier and the Many series of aircraft.

World bank suggestion of devaluation of rupee

2250. SHRI SUKOMAL SEN:
SHRI MOSTAFA BIN QUASEM:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in view of extreme slow growth in export limiting imports of essentials the World Bank has suggested for a major devaluation of the external value of the rupee; and

(b) if so, reaction of the Government to said suggestion?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) No, Sir.

(b) Does not arise.

Budgetary support to public sector units

2251. SHRI GURUDAS DAS GUPTA:
SHRI SURAJ PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has a proposal to withdraw budgetary support to the public sector units; and